

## 7.0 BUSINESS RESULTS

### 7.1 Customer Focused Results

#### 7.1a Customer Results

7.1a(1) and (2) Performance improvement regarding customer satisfaction, resulted in an expanded awareness of organizational performance in the eyes of the customer.

Customer perceptions, expectations, needs, and attitudes are assessed during the annual Winward Cooley (now Cooley) survey of what Arizona citizens think about transportation. See Figure 7-1 for the overall customer satisfaction rating from this survey.

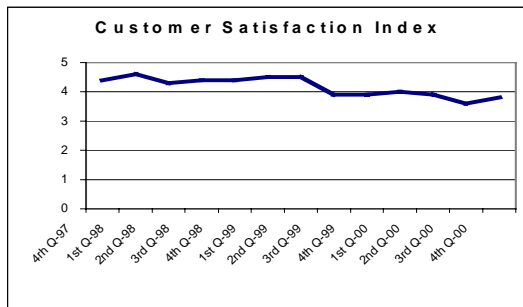


Figure 7-1

Figure 7-2, from the same survey, shows that nearly 2/3 of the customers feel freeway planning and design has improved.

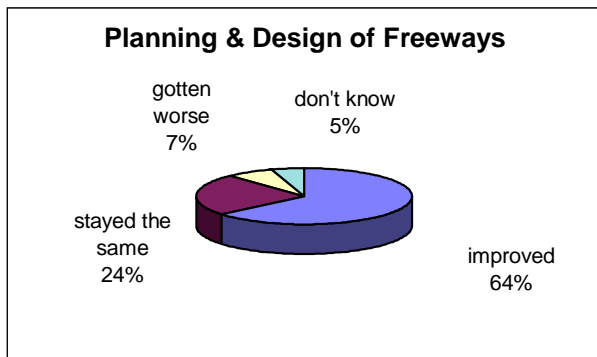


Figure 7-2

According to the annual survey, MVD customers using the Internet and Interactive Voice Response System are also very satisfied, and customers who call MVD through the Call Center are more satisfied this year than last. Overall, the majority of the MVD customers are satisfied with the various methods of service delivery as demonstrated in Figure 7-3.

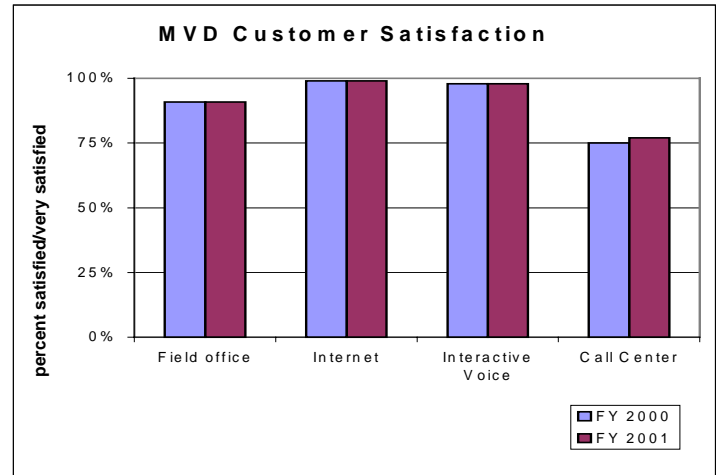


Figure 7-3

Customers in both the rural and metropolitan areas of the state are surveyed each month regarding the timeliness, courtesy, and quality of highway maintenance and repair. Scores remain consistently over baseline as shown in Figure 7-4.

#### Customer Satisfaction Measure

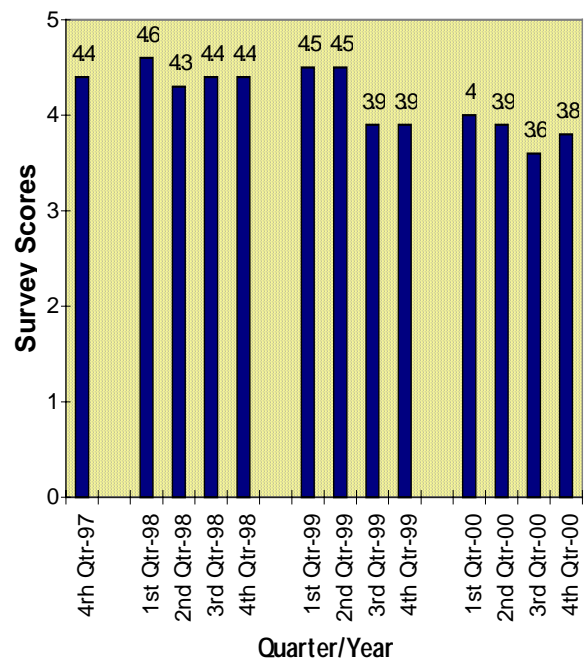


Figure 7-4

### 7.1b Product and Service Results

One large ADOT customer segment is the motoring public, who expect the roadway to be in good condition and the pavement to be smooth. ADOT's ability to deliver pavement smoothness is better than prior years due to improved materials, equipment and application techniques. This improvement is shown in Figure 7-5 where ADOT is compared to the target level of smoothness (-----).

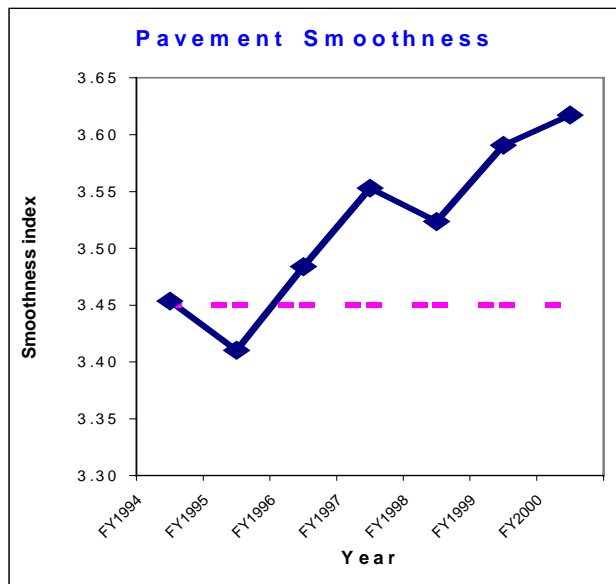


Figure 7-5

## 7.2 Financial and Market Results

### 7.2a Financial and Market Results

**7.2a(1)** ADOT is nationally recognized for its sound financial management and award winning financial reporting system. The Department is one of only two state transportation authorities that have received Standard & Poor's AAA rating for highway revenue bonds. ADOT has also received the Government Finance Officers Association Certificate of Excellence in financial reporting for the State of Arizona Comprehensive Annual Financial Report for several years. ADOT received the "Distinguished Budget Presentation Award" for six consecutive years.

Another indicator of ADOT's financial performance is its Comparative Ranking to other States in Cost Effectiveness of State Highway Expenditures. As shown in Figure 7-6, ADOT spends more than other states resulting in roads that are in better condition.

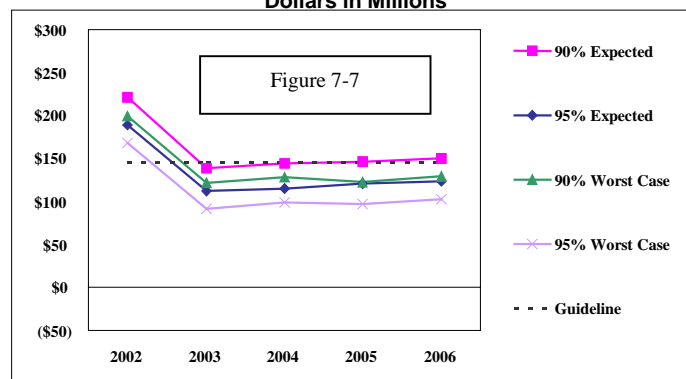
Measurement (*Denotes only relative system size)	Arizona	National Average
System Miles *	6,620	16,211
Lane Miles *	17,398	36,101
Receipts/Mile	\$200,353	\$87,613
Receipts/Lane Mile	\$76,248	\$39,342
Capital Outlays/Mile	\$139,917	\$50,901
Capital Outlays/Lane Mile	\$53,239	\$22,857
Maintenance Outlays/Mile	\$11,184	\$14,761
Maintenance Outlays/Lane Mile	\$4,256	\$6,628
Administrative Cost/Mile	\$8,871	\$5,845
Administrative Cost/Lane Mile	\$3,375	\$2,625
Total Disbursements/Mile	\$206,907	\$85,936
Total Disbursements/Lane Mile	\$78,729	\$38,589
% Rural Interstate Poor Condition	0.2%	2.4%
% Urban Interstate Poor Condition	0.0%	7.2%
% Other Rural Poor Condition.	1.7%	0.9%
% Urban Interstate Congested	20.4%	40.2%
% Deficient Bridges	5.3%	28.2%
Fatal Accidents/100 Million VMT (Vehicle Miles Traveled)	2.19	1.55

Figure 7-6

Successful deliverance of the state highway system depends upon having adequate funding sources and managing those resources well. Accurate forecasting has reduced the risk of highway project delays due to over-estimation of revenues. Funds must be available to pay for roadway segments when they are built. ADOT's cash management practices have allowed the accelerated build out program for the Phoenix area Regional Freeway System, as well as planned construction in the balance of the State to stay on schedule. These practices involve utilizing revenues flowing into the Highway and Regional Area Road Funds from taxes as well as federal funds. Additionally, each of these revenue sources is used to collateralize the revenue bonds issued in furtherance of ADOT's construction program. These combinations of financial tools have enabled ADOT to keep its building program on schedule. The current construction program requirements are depicted in Figure 7-7 below.

### FY 02 - 06 Tentative Program Estimated Cash Balances

#### Cash Flow Basis Dollars in Millions



## 7.3 Human Resource Results

### 7.3a Human Resource Results

**7.3a(1)** ADOT uses a variety of indicators for employee well being and satisfaction as shown in Figures 7-8 through 7-18.

Approximately half of the ADOT workforce has received Years of Service Awards in the past three years as shown in Figure 7-8.

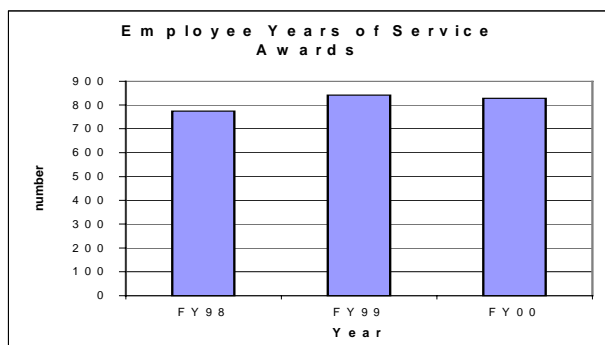


Figure 7-8

ADOT is one of the largest state agencies and it has a lower employee turnover rate when compared to other state agencies, as shown in Figure 7-9.

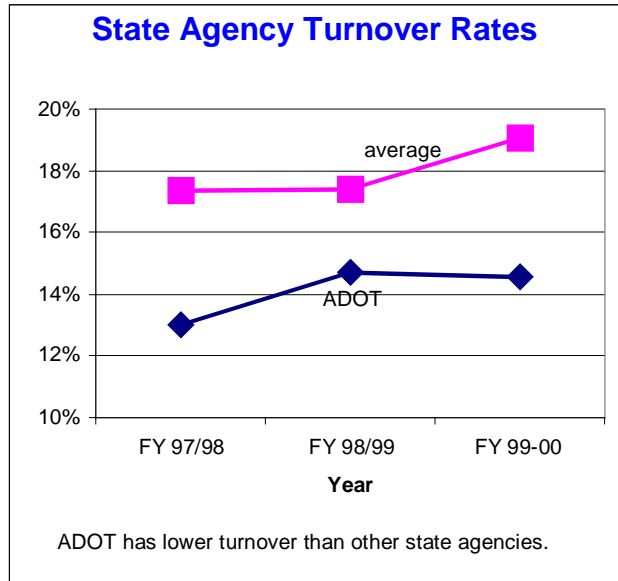


Figure 7-9

ADOT also provides tuition assistance (see Figure 7-10) to employees who enroll in, and satisfactorily complete, eligible course(s) offered by accredited colleges, and other approved institutions. Employees are eligible for up to \$315 tuition reimbursement and \$75 for books for a three credit-hour course.

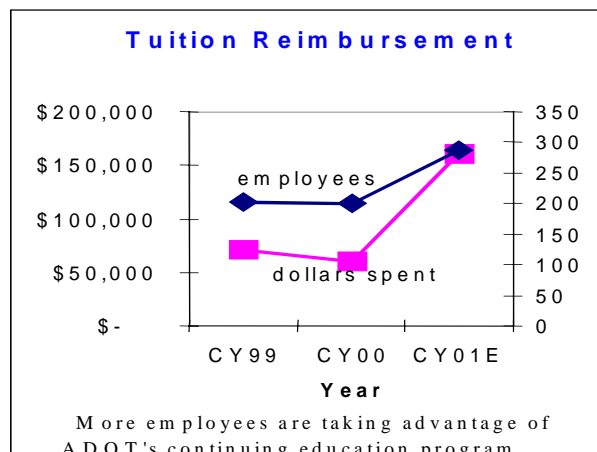


Figure 7-10

ADOT further supports employees through panel training and self-study courses that provide specialized education to staff that must maintain or obtain professional designation (such as certified public accountant, certified internal auditor) For example, the Office of Audit and Analysis provides annual training to those auditors required to comply with the requirements of the "Government Auditing Standards." One result of this training is that during the November 2000 certified internal auditor examination, one of ADOT's auditors received the highest grade amongst the 9,300 candidates from 61 countries who took the exam, and was given special recognition at the International Conference of the Institute of Internal Auditing in Buenos Aires, Argentina in June 2001.

Employee satisfaction is measured monthly for employees participating in the Performance-based Incentive Programs. The measurement is based on personal support and contribution to the team, communication, morale, training, and empowerment. Even though no incentive monies are tied to this measure, the scores remain consistently high as seen in Figure 7-11.

**Average Employee Feedback Score**

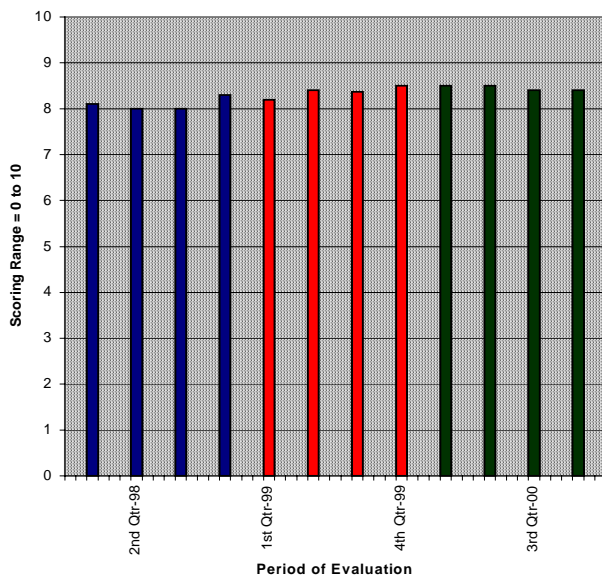


Figure 7-11

ADOT plans for the future of its technical engineering workforce through its Engineer-In-Training Program. ADOT is able to train and retain new engineers for its future business needs. Its ability to retain engineers remains high, as shown in Figure 7-12.

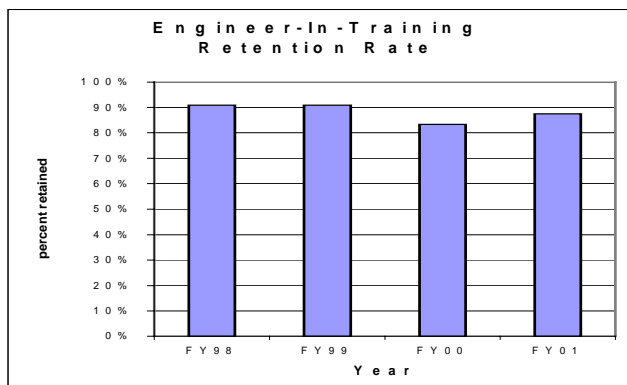


Figure 7-12

Retaining engineers is critical to the future business of ADOT. Because of the high turnover rate in the engineering field, ADOT developed and implemented a unique pay plan in an attempt to retain qualified engineers. The turnover rate appears to be declining as a result of this program.

Unplanned absences have been consistently less than the baseline target per work unit in the Maintenance Incentive Program which represents 17% of the total ADOT workforce. This is another indicator of good employee satisfaction and morale. These results and trends are shown in Figure 7-13.

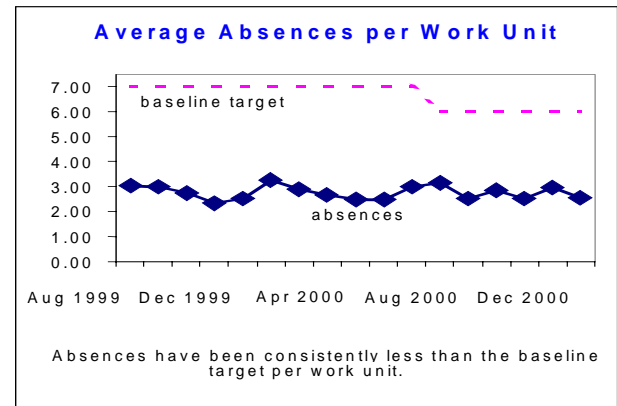


Figure 7-13

Employee contributions are another measure of employee satisfaction and well-being. ADOT employees are generous, and freely give to others throughout the year. Contributions have more than doubled over the last five years. See Figure 7-14.

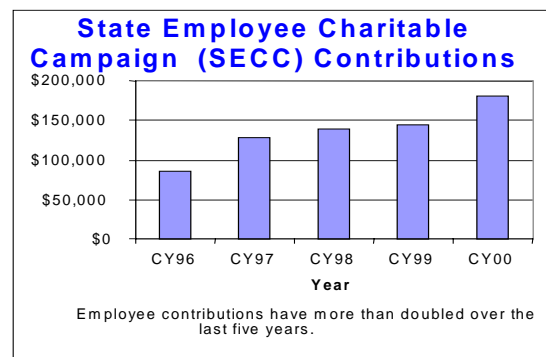


Figure 7-14

Employees help each other is through the Donated Leave Program, where leave can be donated from one employee to another for use during an extended illness or absence for medical or family emergencies. Figure 7-15 demonstrates that ADOT employees are generous and giving. This is another indicator of high morale and employee satisfaction.

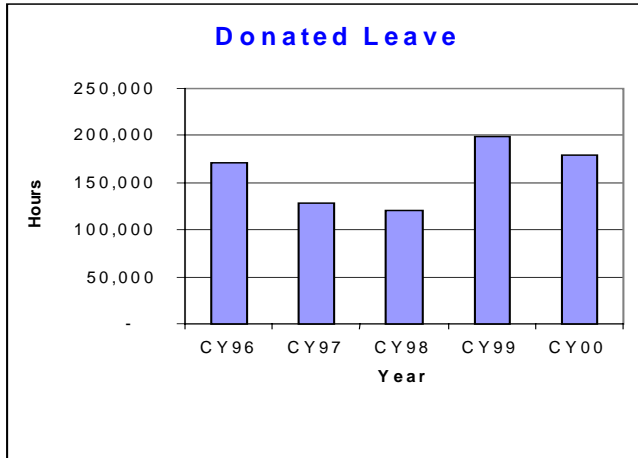


Figure 7-15

Finally and perhaps most importantly, providing a safe work environment is a primary focus for ADOT. The following chart (Figure 7-17) serves as ADOT's primary indicator of safety in the workforce. It is also a key agency objective and measurement that senior management reviews monthly. The data shows that ADOT's overall agency incident rate is in decline and beats the industry average.

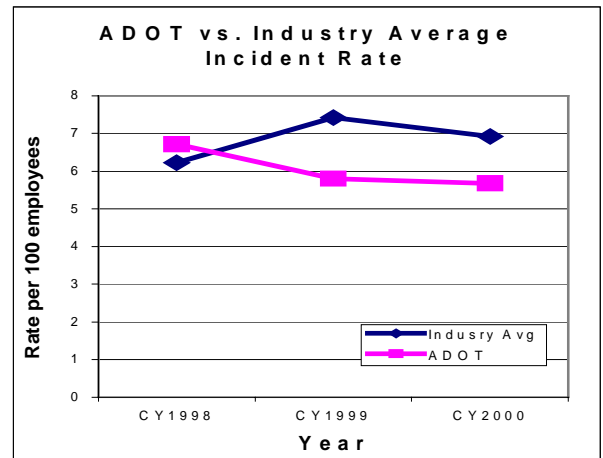


Figure 7-17

Additionally, as depicted in Figure 7-16, the number of grievances has substantially declined in recent years

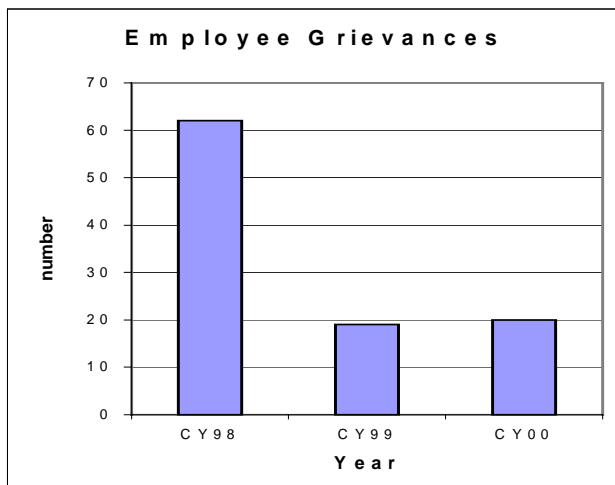


Figure 7-16

**7.3a(2)** ADOT reinforces high performance by its employees through Performance-based Incentive Programs. Previously mentioned staff is compensated for their efforts in workplace improvements resulting in savings. By way of example, Figure 7-18 shows the savings generated by the Maintenance Incentive Team and the compensation it received for a high level of performance.

The Performance-based Incentive Program has paid a total of \$5,546,204 (\*see below) to maintenance employees for their participation from 1996 through May 2001.

*1996	\$ 8,786
*1997	\$ 293,402
*1998	\$ 985,096
*1999	\$1,215,564
*2000	\$1,582,275
*2001	\$1,461,081 (through May only)

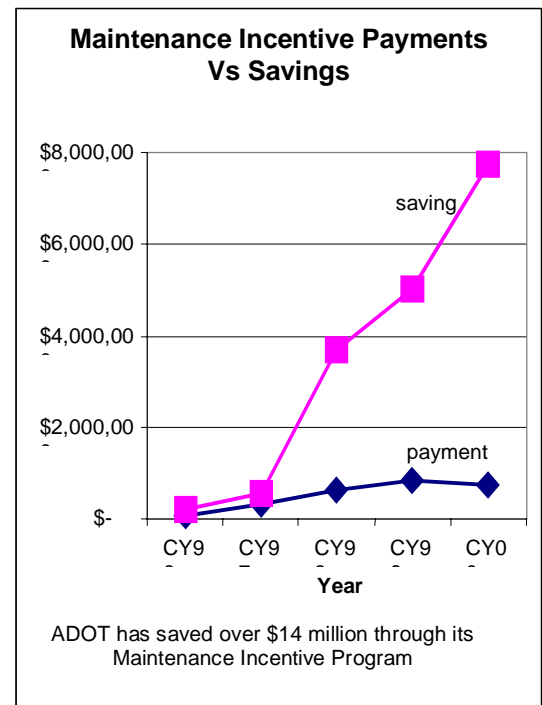


Figure 7-18

## 7.4 Organizational Effectiveness Results

### 7.4a Organizational Results

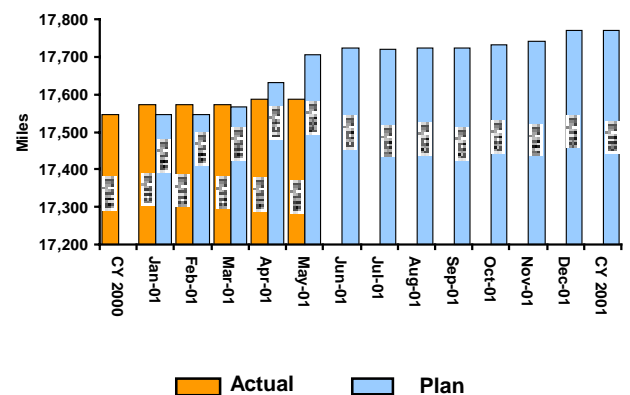
### 7.4b Public Responsibility and Citizenship Results

Overall organizational effectiveness is best measured by ADOT's performance vis-à-vis its key objectives and measurements. The agency goals, accompanying objectives and current performance measurements follow:

ADOT Goal 1 (Goals and Objectives are numbered for reference purposes and not for relative importance) is to: "Improve the movement of people and products throughout Arizona." One of the agency's Key Objectives associated with that Goal is to increase the number of Travel Lane miles open to traffic in Arizona during the current Calendar Year to 17,770, an increase of 224. As of this writing, 40 travel lane miles have been added Figure 7-19. Analysis shows that ADOT is running slightly behind schedule due to weather delays and problems in securing labor. Nevertheless, while certain projects have been delayed, this Objective will be met.

## Statewide Travel Lane miles open to traffic

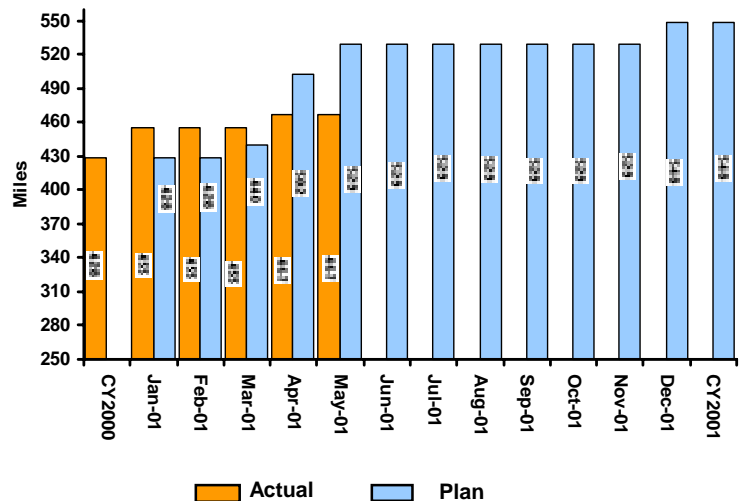
Figure 7-19



Another ADOT Key Objective associated with this Goal involves the Maricopa County Regional Freeway System. The agency has a plan in place to accelerate the completion of this Project by seven years, from its originally planned completion date of 2014 to 2007. That acceleration plan is on schedule. The current year's portion of the plan calls for an increase in Travel Lane miles of 120, for a total of 548. For the same reasons as stated above this current year's Objective is slightly behind schedule, but the reasons have been diagnosed and the Objective will be met by year-end Figure 7-20.

## Regional Freeway System Travel lane miles open to traffic

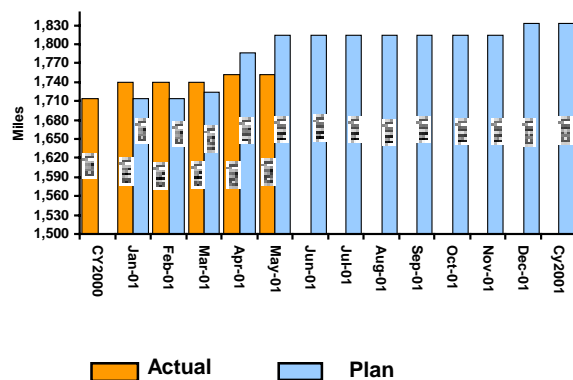
Figure 7-20



Not all of the state roadways within the Phoenix Metropolitan area are part of the Regional Freeway System. Nevertheless, with the Phoenix area containing over 60% of the state population, achieving the first agency Goal would not be possible if roadways in this region were not completed timely. In the short term, most of the Phoenix District's construction activities *are* involved with the Regional Freeway System, however. Hence this Objective for the current calendar year overlaps with that of the Regional Freeway System, the addition of 120 Travel Lane miles. And, for the reasons stated above, the Objective for the current year will be met Figure 7-21.

## Travel Lane miles open to traffic - Phoenix District

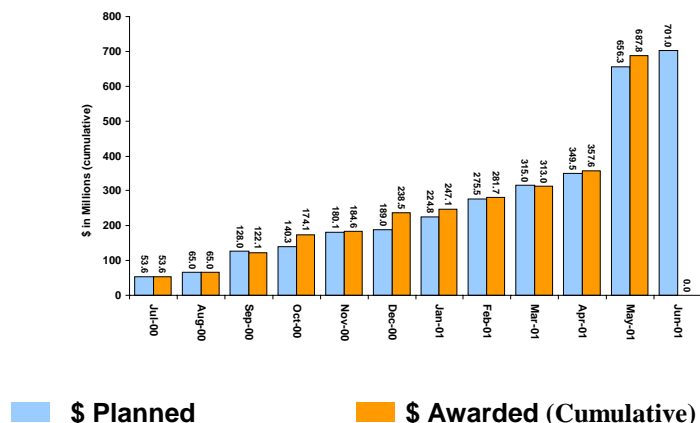
Figure 7-21



Another of the Key ADOT Objectives that aligns with Goal number 1 is to ensure that 90-100% of the funds that are planned to be awarded by the State Transportation Board are, in fact, awarded during the fiscal year. This is in the early stages of the life cycle of a roadway. That is, if contract awards are not made timely, the roadway itself will not be open to traffic as originally planned. In the case of the Regional Freeway System, this could have harsh consequences for mobility. As can be seen from Figure 7-22, as of May 2001, this Objective was being exceeded.

## Planned Vs Awarded

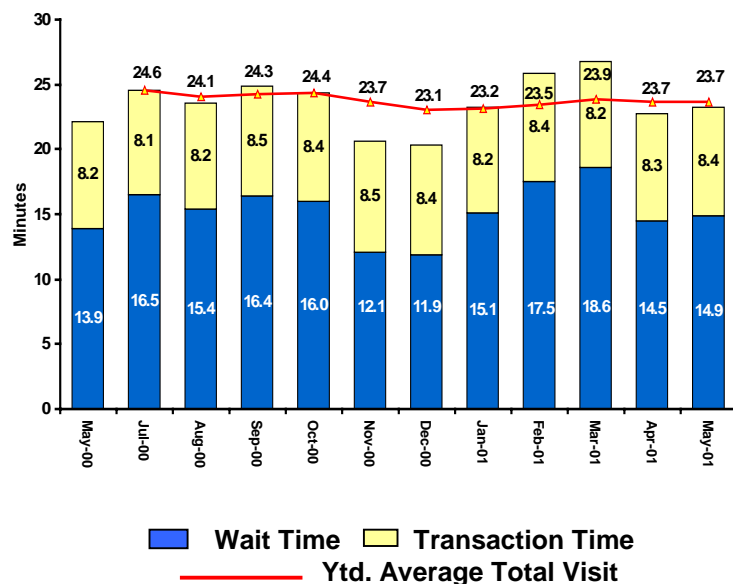
Figure 7-22



ADOT's second Goal is to: "Increase the quality, timeliness, and cost-effectiveness of its products and services." One of the Key Objectives that the agency has set to attain that Goal is to maintain an average customer visit time in Motor Vehicle Division (MVD) field offices of 23 minutes during the fiscal year. Through May 31, the year to date average was 23.7 minutes Figure 7-23. Hence it is doubtful that the annual Objective will be met. However, during the year, the problems with meeting the Objective were examined and largely revolve around staff turnover. As a result, the legislature authorized additional funds for both FY 2002 and 2003 to be used as necessary for reclassifications for Customer Service personnel in the hope of reducing turnover.

## Customer Visit Time (Statewide)

Figure 7-23

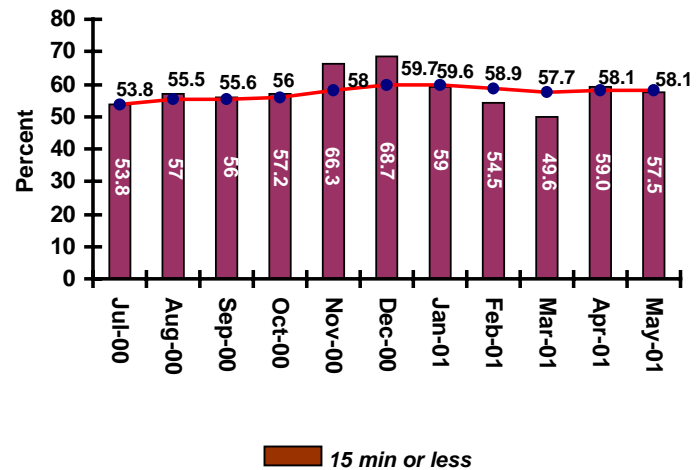




While the average time that a “typical” customer spends in an MVD field office is a key indicator of organizational effectiveness, averages can sometimes be deceiving unless used in context with other objectives and measurements. As a result, senior ADOT management reviews another indicator of customer service: the percentage of customers waiting 15 minutes or less to receive service. The target for this fiscal year is 60%. Through May 2001, 58.1% of the customers had been so served Figure 7-24. While the Objective could possibly be reached upon receipt of June figures, it is doubtful for the same reasons (turnover) as indicated in the previous measurement.

### Customer Time in Office (Represent Q-Matic offices only)

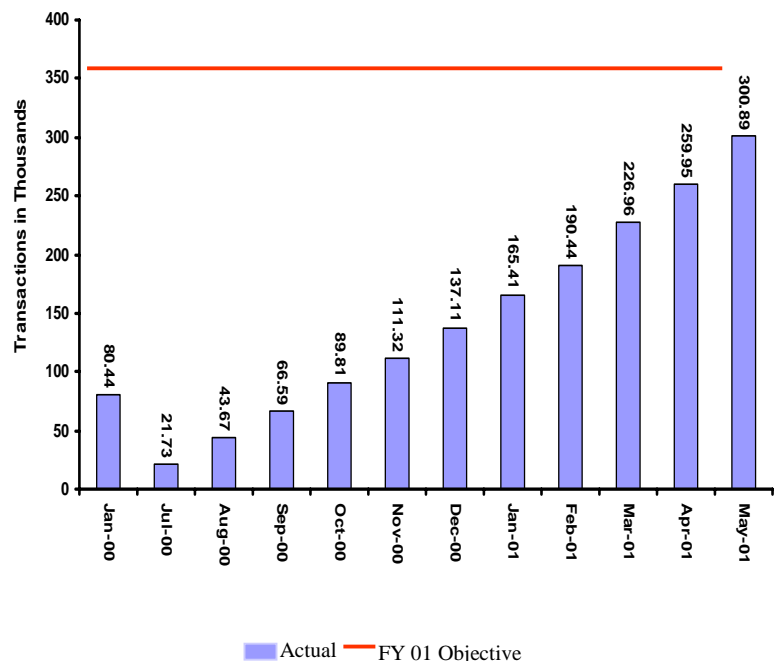
Figure 7-24



Part of the Department’s strategy to provide good customer service is to afford options to customers as to how they interact with ADOT. The Internet is a growing tool that not only offers options, but also allows field office personnel to better serve those (fewer) customers that must come into an office. The Objective for this fiscal year was to conduct 360,000 transactions over the Internet. As of May 31, 300,000 transactions had been so completed. While ADOT will fall slightly short of attaining this Objective, it is important to note that for the months of March – May 2001, the monthly rate of growth in Internet transactions exceeded 30,000 Figure 7-25. This is over 360,000 on an annualized basis. This up tick in transactions resulted from the staff analyzing additional transactions that could be done via the Internet, making the necessary changes to allow customers to complete these transactions without coming into an office, and publicizing the availability of the service.

### Cumulative Internet Transactions

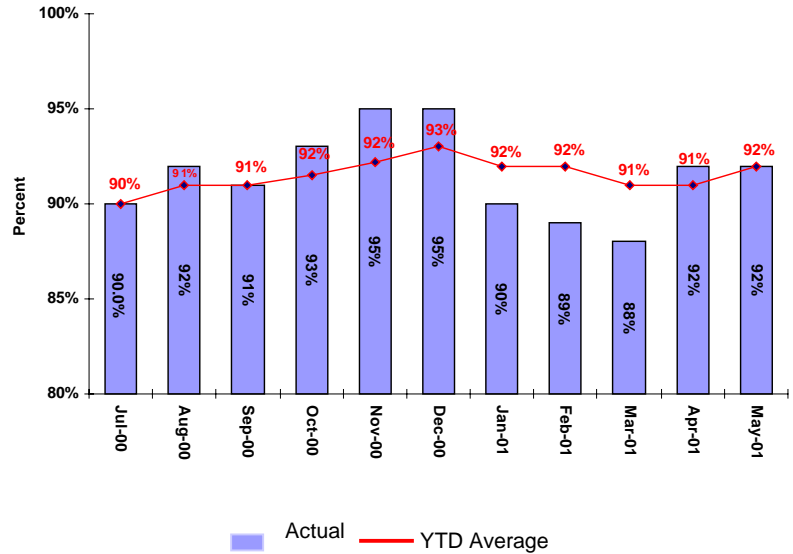
Figure 7-25



Ultimately, the best measure of customer satisfaction comes from the customers themselves. That is why ADOT surveys those who visit MVD field offices, and why it is a key objective and performance indicator for the agency. For the current fiscal year, the Objective of having 91% of the customers rate their overall satisfaction level as excellent or good has been consistently met Figure 7-26.

## Monthly Customer Satisfaction Results

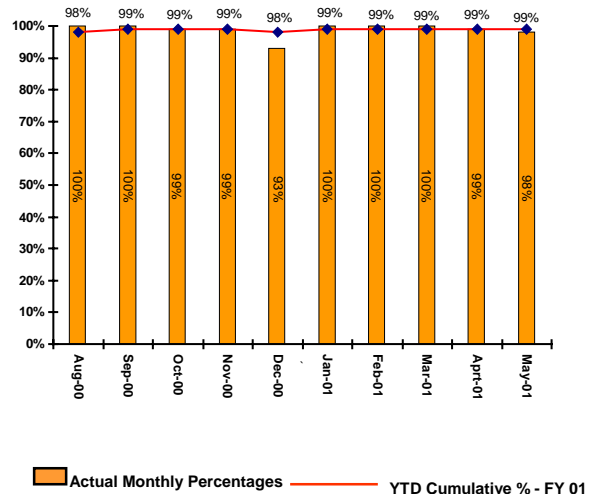
Figure 7-26



ADOT's fifth Goal is to: Improve the public and political support necessary to meet Arizona's transportation needs. One way of doing so is to simply provide superior service to the public. By so doing, the public support that comes from providing that type of service translates into political support, as constituencies contact their elected and appointed representatives. The service in this instance is simply defined as answering inquiries made by customers of ADOT's Legislative Services Office. The Objective is to respond to those inquiries within 10 working days 95% of the time. Throughout the entire fiscal year, this Objective has been met 98-99% of the time Figure 7-27.

## Constituent Responses completed within 10 working days

Figure 7-27

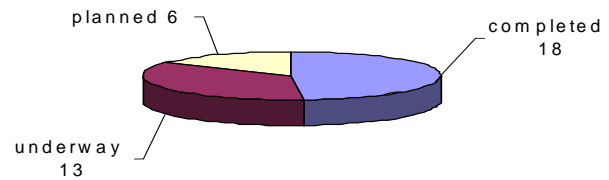


ADOT's third Goal is: To develop and retain a high performing, successful workforce. The key Objective and measurement that management tracks in this regard is the employee safety incident rate. Keeping staff incident free both enables them to be more productive, and can positively impact ADOT's Risk Management premium, thereby freeing up funds for the construction program. The Objective for calendar 2001 is to reduce this rate to 5.41 incidents per 100 employees. Through May, ADOT is on course to attain this Objective, with a year to date incident rate of 4.33. (See Figure 7-17)

In an effort to enhance highway safety, thereby improving the movement of people and products throughout Arizona, the Governor empanelled a Highway Safety Team. The Team has made various recommendations for improvement, some of which fall within ADOT's purview. The chart depicts the agency's actions to date. The Team is ongoing and therefore the list of recommended action steps keeps growing. Nevertheless, the steps already completed constitute almost 50% of the steps recommended at this writing

Figure 7-28

### Highway Safety Actions



37 actions have been taken to reduce highway injuries and fatalities.

ADOT senior management selects the Key Indicators of its performance, as noted above, and manages the organization by monitoring them. To the extent that targets are not being met, or are being greatly exceeded, analysis is undertaken to discover the cause(s) for the variance(s), and corrective action is taken. In addition, several of the key indicators are required by the Governor's Office, and are sent there each month.

The Key Indicators are posted on both the ADOT intranet and internet, along with other information, for use by both employees and the public. This is a valuable communication tool for a public agency to keep its various constituencies informed on a timely and current basis.

As stated in the opening paragraph of the overview, ADOT's major priority through 2007, as established by the Governor's Office, is to complete the construction of the Regional Freeway System in Maricopa County in 2007 rather than the originally planned 2014. The Department is on schedule to realize this priority, and has channeled its resources to accomplish this. In the meantime the MVD continues to perform, monitor and improve the delivery of their services to put people and vehicles on the road and raise revenue. ADOT completes its mission by using proper planning and processes, which are executed by a professional, dedicated and motivated workforce, which monitors and adjusts its plans in a timely manner.